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December 10, 2009

VIA E-FILING

Charles L. A. Terreni, Esquire
Chief Clerk of the Commission
SC Public Service Commission
P. O. Drawer 11649
Columbia, SC 29211

RE: Review of Avondale Mills, Incorporated's Rates Approved
in Order No. 2009-394
Docket No. 2009-342-W/S

Dear Mr. Terreni:

Enclosed please find the Petition of Avondale Mills, Inc. for approval of agreements for the transfer and sale of its water and sewage collection systems in Aiken County, South Carolina. By copy of this letter, I am serving all parties of record.

If you have questions, please do not hesitate to contact me.

Sincerely,

Elliott & Elliott, P.A.



Scott Elliott

SE/mlw

Enclosures

cc: All parties of record w/enc.
Jack R. Altherr, Jr.

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

DOCKET NO. 2009-342-W/S

RE: Review of Avondale Mills,)	
 Incorporated's Rates Approved)	PETITION
 in Order No. 2009-394)	

INTRODUCTION

Pursuant to S.C. Code Ann. Section 58-5-210 (1976) and S.C. Code Ann. Regs. 103-504 and 103-704, Avondale Mills, Inc. ("Avondale" or "Petitioner") does hereby request that the South Carolina Public Service Commission ("Commission") determine that the agreements for the transfer and sale of its water and sewer systems located in Aiken County, South Carolina are in the public interest and authorize Avondale to comply with the terms required by the agreements.

AVONDALE

1. Avondale is a closely held corporation organized and existing under the laws of the State of Alabama and is a public utility within the meaning of S.C. Code Ann. 58-5-10(3). Avondale furnishes water distribution service and sewer collection service to approximately 616 water customers and 495 sewer customers in Graniteville and Vaucluse communities in Aiken County, South Carolina.
2. Avondale acquired its water and sewer system in September 1996 from the Graniteville Company. Commission Order 96-661 in Docket No. 96-144 W/S approved

the purchase and granted Avondale a Certificate of Public Convenience and Necessity to operate a water and sewer utility in Aiken County, South Carolina in the territory formerly served by the Graniteville Company.

3. By Order No. 2009-394 in Docket No. 2008-460-W/S, the Commission approved rates and charges for Avondale's water and sewer service. Currently, a review of Avondale's rates approved in Order No. 2009-394 is pending before this Commission in Docket No. 2009-342-W/S.

WATERWORKS ASSET PURCHASE AGREEMENT

4. Valley Public Service Authority ("Valley") is a special purpose district organized under state law which by statute operates a waterworks and sewer system that serves customers in Aiken County, South Carolina.

5. By Waterworks Asset Purchase Agreement dated October 28, 2009, Avondale agreed to sell and convey its rights, title and interest in and to its water lines and water system to Valley. A copy of the Waterworks Asset Purchase Agreement is attached hereto as Exhibit A. The Petitioner craves reference to the Waterworks Asset Purchase Agreement for the terms and conditions thereof.

6. Avondale and Valley anticipate the need to conclude and close their transaction on or about January 31, 2010, and therefore, time is of the essence.

7. A condition of the Waterworks Asset Purchase Agreement between Avondale and Valley is Avondale's sale of its rights, title and interest in Avondale's sewer system to Aiken County according to the terms and conditions of a Sewer System Asset Purchase Agreement under negotiation between Avondale and Aiken County.

The Waterworks Asset Purchase Agreement is further conditioned upon the approval of the transfer by the Commission and the South Carolina Department of Health and Environmental Control ("DHEC").

SEWER SYSTEM ASSET PURCHASE AGREEMENT

8. Aiken County, South Carolina is a political subdivision of the State of South Carolina.

9. Avondale and Aiken County are negotiating the terms and conditions of a Sewer System Asset Purchase Agreement wherein Aiken County will purchase and accept Avondale's rights, title and interest in and to its sewer system in Aiken County.

10. Avondale and Aiken County have negotiated certain of the terms and conditions of the sale of the sewer system to Aiken County. However; a number of issues between the parties remain unresolved and are under negotiation.

11. In the event Avondale and Aiken County are able to resolve their differences and conclude the Sewer System Asset Purchase Agreement contemplated by the parties, the Sewer System Asset Purchase Agreement must conclude and close on or about January 31, 2010.

12. This Commission has the authority to approve the Sewer System Asset Purchase Agreement. Because time is of the essence, the Petitioner would herewith submit the current draft of the Sewer System Asset Purchase Agreement to the Commission requesting that the Commission set a schedule for approval of any final Sewer System Asset Purchase Agreement, reserving Petitioner's right to substitute any final fully executed Sewer System Asset Purchase Agreement between Avondale and

Aiken County for the Commission's consideration prior to its determination of Avondale's Petition herein.

13. A copy of the current draft of the Sewer System Asset Purchase Agreement is attached hereto as Exhibit B. The Petitioner craves reference to the Sewer System Asset Purchase Agreement for the terms and conditions thereof.

14. As alleged above, the transfer of the sewer system to Aiken County pursuant to any Sewer System Asset Purchase Agreement is conditioned upon the transfer of Avondale's water lines and water system to Valley and the approval of the transfer by this Commission and DHEC.

RELIEF

15. Because time is of the essence in concluding and closing the transfer of the water lines and water system to Valley and the transfer of the sewer system to Aiken County, the Petitioner requests that this Commission grant expedited review of its Petition for approval of the agreements for the transfer and sale of the Petitioner's water and sewer systems in Aiken County.

16. The facts and circumstances of Avondale's operation of its water and sewer systems are well known to this Commission by virtue of Docket Nos. 2008-460-W/S and 2009-342-W/S. Avondale is informed and believes that its water and sewer customers have knowledge of Avondale's efforts to transfer the water lines and system to Valley and to transfer the sewer system to Aiken County and have had ample opportunity to consider the merits of the pending agreements. Accordingly, Avondale submits that further notice of the transfers is unnecessary.

17. Further, Avondale would request that the schedule herein be set so that once any final fully executed Sewer System Asset Purchase Agreement can be submitted to the Commission, the Commission might grant its approval of the Waterworks Asset Purchase Agreement and Sewer System Asset Purchase Agreement prior to the anticipated closing date of January 31, 2010.

17. All communications concerning this Petition may be directed to:

Scott Elliott, Esquire
Elliott & Elliott, P.A.
721 Olive Street
Columbia, SC 29205
Phone: (803)771-0555
Facsimile: (803)771-8010
selliott@elliottlaw.us

WHEREFORE, Avondale respectfully prays for an order of this Commission as follows:

- A. granting expedited review of the Petition herein;
- B. determining that the Waterworks Asset Purchase Agreement between Avondale and Valley Public Service Authority is in the public interest;
- C. determining that the Sewer System Asset Purchase Agreement between Avondale and Aiken County, South Carolina is in the public interest;
- D. approving both asset purchase agreements and authorizing Avondale to comply with the terms required by the agreements.

E. granting such other and further relief as this Commission deems just and proper.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Scott Elliott', is written over a horizontal line.

Scott Elliott, Esquire
Elliott & Elliott, P.A.
721 Olive Street
Columbia, SC 29205
803-771-0555
803-771-8010
Attorney for Petitioner

Columbia, SC

December 10, 2009

CERTIFICATE OF SERVICE

The undersigned employee of Elliott & Elliott, P.A. does hereby certify that she has served below listed parties with a copy of the pleading to the persons indicated below by mailing a copy of same to them in the United States mail, by regular mail, with sufficient postage affixed thereto and return address clearly marked on the date indicated below:

RE: Review of Avondale Mills, Incorporated's Rates
Approved in Order No. 2009-394

DOCKET NO.: 2009-342-W/S

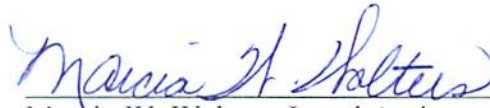
PARTIES SERVED: Jeffrey M. Nelson, Esquire
Shealy Boland Reibold, Esquire
Office of Regulatory Staff
P. O. Box 11263
Columbia, SC 29211

David Price
Assistant to Director
Water Facility Permitting Division
SC Department of Health & Environmental Control
2600 Bull Street
Columbia, SC 29201

Michael Hunt
509 Laurel Drive
Graniteville, SC 29829

Joe A. Taylor
105 Laurel Drive
Graniteville, SC 29829

PLEADING: Petition


Marcia W. Walters, Legal Assistant

December 10, 2009